

Probe centers on 3 targets

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By BOB SULLIVAN

Home News staff writer
NEWARK — The federal investigation into North Brunswick affairs is a three-pronged probe encompassing former township engineer William A. Dailey's tax returns, the Hidden Lake development and contracts between the township and vendors.

Reports from sources indicate the scope of the investigation is larger than originally believed. The probe was first revealed two years ago, but was confirmed only last March by

U.S. Attorney Jonathan Goldstein.

Previous reports indicated the federal grand jury was studying either municipal corruption in general or the approvals for Michael Kaplan's Hidden Lake complex off Route 27.

Sources now say the probe does include Hidden Lake, Dailey's tax returns and township vendor contracts.

In keeping with his practice, Deputy U.S. Atty. Richard Hellstern refused comment on the latest reports.

Dailey's name has been con-

nected with the federal probe frequently. Last summer, Dailey's partner Mario Bartolone said he had been before the federal grand jury answering questions about the Hidden Lake development.

Bartolone said then that he couldn't provide any information because he hadn't done any work on the housing complex.

Hellstern, who is handling the investigation, refused comment on a later report that employees of Technical Testing Inc., an East Brunswick engineering firm headed by Dailey,

had been before the grand jury.

Since that investigation, Dailey has left his engineering duties in both North and East Brunswick which have hired full-time engineers.

From the outset, Hidden Lake has been reported as the center of the investigation. The large apartment-housing complex was approved in early 1971.

It followed a long and bitter fight that stretched back to 1967, when Kaplan's father, Nathan, under the name Ceran Corp. first applied for the de-

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RICHARD HELLSTERN
...heads probe

North Brunswick probe defined

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development, seeking a reduction in lot sizes from 30,000 to 15,000 square feet.

The issue quickly developed political overtones, with then-Mayor George Luke supporting the proposal. Former Mayor Jack Pincus, then the lone committee Democrat, opposed the idea.

Luke lost a Republican primary in 1968 to Fred Gilbert, who went on to become mayor while campaigning in opposition to the Hidden Lake proposal.

The development went nowhere.

In 1970, Nathan Kaplan asked for zoning changes that would have allowed him to develop the area. Nicholas Kehayas, then the township's planning consultant, told the committee allowing Kaplan to develop 375 single-family homes on the 30,000 square foot lots, as he threatened, would cost the township about \$400,000 a year for services.

So the GOP went for the smaller-lot zoning, with Pincus and Frank Pelly, now a county freeholder, opposing.

They argued the development would force the township tax rate upwards until it would equal the New Brunswick levy.

In June 1970, Pincus made a last effort to halt the proposal by introducing a rezoning proposal to allow light industry in the area. The Republicans blocked it.

In July, the GOP suggested the mix of apartments, townhouses and small-lot, single family homes.

That rezoning plan was unanimously approved in August.

Previous reports have indicated the federal probe is studying that change of mind.

While the federal probe continues, Kaplan and the Hidden Lake area are coming under state Department of Environmental Protection scrutiny for alleged intrusion into the Six Mile Run floodplain.

The township-vendor probe goes back to 1974, when Gilbert testified to the grand jury about a contract he signed with American Air Surveys of Pittsburgh, Pa., a firm which prepared tax maps and did a township-wide property revaluation.

Gilbert said then he was questioned about a campaign contribution "made by those people, by them to us."

He said he told the jury "it went into the political campaign."

According to Gilbert, two firm members made unsolicited \$1,000 contributions. "They offered to make a political contribution if they got the job. Naturally, if they didn't they wouldn't have, I'm sure," he said.

In December 1969, the firm won a contract for the tax map work and the following Feb-

ruary it was awarded a contract for the revaluation.

Township officials indicated they were dissatisfied with both jobs. In 1973, the township voted to sue the firm for \$80,158, plus damages. The status of that suit is unknown.

After the revaluation, 180 tax appeals were filed and 154 were successful, according to news reports.

A May 1971 letter from county tax board president William Shelly to Gilbert indicated the interiors of some of the homes were not inspected. Shelly said "this is a serious omission." It is not known when the fed-

eral probe will be completed, though indications are it will not be in the immediate future.

The grand jury is reported to have interviewed many past and present township officials, including Gilbert and Luke and former township committee-men Richard Levine and Thomas Canonico.

Last summer, the U.S. Attorney subpoenaed a large number of township records. Township officials say some of those documents have been returned.

Bank records of some of the township officials reportedly also have been subpoenaed by the grand jury.

CORRECTIONS

A story on page one of Wednesday's Home News reported Thomas Canonico, a former North Brunswick Township committeeman, had appeared before a federal grand jury in Newark. Canonico has not appeared before the grand jury, according to his attorney. The Home News regrets the error.

A letter to the editor from Julius Kolowitz that appeared on the editorial page on Wednesday ascribed a statement about military retirement